

Cabinet

Meeting to be held on Tuesday, 4 October 2016

Report of the Corporate Director of Commissioning and Deputy Chief Executive

Electoral Divisions affected: (All Divisions);

Property Strategy (Neighbourhood Centres) – Community Asset Transfer

Contact for further information:

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Executive Summary

As part of the Property Strategy (Neighbourhood Centres) consultation carried out between May and August 2016, community organisations have had the opportunity to express an interest in taking on the running of County Council buildings where they are no longer required for the delivery of County Council services.

This report outlines where Business Cases have been submitted in relation to individual properties and the assessment process that will be used to consider requests. It explains how the Community Asset Transfer Policy will be used to provide a basis for determination.

The report summarises the assessment of bids to date and provides recommendations to Cabinet. In summary, 13 bids are considered to be broadly acceptable subject to negotiation and clarification of issues, a further 18 bids require more details to be provided before a clear recommendation can be made, and 18 bids are not considered to be acceptable.

The latter relate to properties that the County Council intends to retain; cases where the nature of the proposal has been predominantly commercial, or where the community benefit arising from the proposal is considered to be of limited value; or where a sustainable business case has not been proposed.

It is proposed that for those business cases considered to be broadly acceptable individual reports are presented in due course to the Deputy Leader of the County Council for decision.

The report also clarifies the approach to be taken regarding any further expressions of interest/business cases which may be received.

Recommendation

Cabinet are recommended to agree:

1. To endorse the recommendations set out in Tables 2, 3 and 4 of the report,
2. That individual reports are presented in due course to the Deputy Leader of the County Council for decision in relation to Business cases set out in tables 2 and 3 of the report,
3. That the business cases submitted in relation to Brierfield Library are taken into consideration as part of the ongoing assessment of service delivery options in that area, and
4. That further bids for Community Asset Transfer will be determined on their merits on the basis of the Community Asset Transfer Policy but that new Expressions of Interest will not be considered where Business Cases made in line with the Property Strategy Consultation process are still under consideration, or where Community Asset Transfer to another group has already been agreed.

Background and Advice

The County Council's Property Strategy was subject to a 12 week public consultation between 18 May 2016 and 14 August 2016. The Strategy outlined proposals relating to the future configuration of the Council's property portfolio. It established proposals for properties that are retained as Neighbourhood Centres, where a range of services will be delivered from, in particular the Library Service, Wellbeing, Prevention and Early Help Service, and the Young People's Service.

As a consequence of the revised approach to service delivery, a number of properties were identified as premises that would no longer be required to deliver the Council's services.

As part of the consultation process, there was recognition that community groups or other organisations may wish to take over surplus property. There was therefore an opportunity, linked to the consultation process, for Expressions of Interest for properties to be submitted. Organisations were asked to submit an initial Expression of Interest by 19 June 2016 and those which did so were then provided with property information including ownership information / details of covenants etc., property condition information and an indication of recent works undertaken. They were also provided with an indication of the County Council's running costs for the property.

Groups were also offered assistance from Selnet (Social Enterprise Lancashire Network), an organisation that provides support to social businesses across the county. The support offer was to help groups develop a detailed business case supporting an asset transfer, the deadline for which was 14 August 2016.

In addition to this, a Community Asset Transfer Policy was approved by the Deputy Leader on 15 July 2016. The policy:

- Describes how the County Council will work with the community to support the successful transfer of County Council owned land and buildings to local people for the benefit of the community
- Explains what is meant by Community Asset Transfer and sets out how asset transfer will be achieved; and
- Provides a clear framework to support the transfer.

Expressions of Interest Submitted

A total of 119 Expressions of Interest were lodged. Of these, 49 were followed up by the submission of a detailed Business Case. It should be noted that in some cases more than one bid was submitted for the same property. Business cases related to the following properties:

Table 1

Property	Reference number	Bidder
Burnley		
Padiham Young People's Centre	22a	Veteran's Association
Rosegrove Library	24a	Veteran's Association
Stoops and Hargher Clough Community Centre	25a	C. Keene
Chorley		
Adlington Library and Children's Centre	36a	Springfield Day Nursery and Community Hub Ltd
Adlington Library and Children's Centre	36b	Chorley Borough Council
Chorley Adult Disability Day Services (Holly Trees)	39a	T. Higgins
Chorley Adult Disability Day Services (Holly Trees)	39b	Chorley District Scout Headquarters
Chorley Youth Offending Team	40a	ABL Health Ltd
Chorley Youth Offending Team	40b	T. Higgins
Clayton Brook Children's Centre	41a	Clayton Brook Community House
Coppull Children's Centre	42a	Chorley Borough Council
Highfield Children's Centre	45a	Chorley Borough Council
The Zone in Chorley	47a	Chorley amateur boxing club
The Zone in Chorley	47b	T. Higgins
Fylde		
Ansdell Library	55a	Friends of Ansdell Library
Kirkham Library	57a	Kirkham Town Council
Lytham Library and		Partnership led by Arts Partnership

Registration Office	61a	Fylde.
Hyndburn		
Clayton le Moors Library	76a	Mercer 1842
Great Harwood Young People's Service	78a	Hyndburn Leisure
Oswaldtwistle Library	80a	Red Rose Recovery
Oswaldtwistle Library	80b	Oswaldtwistle Lamp Community Group.
Rishton Library	82a	Mercer House 1842
Lancaster		
Balmoral Children's Centre	96a	Total Tots Ltd
Barton Road Young People's Centre	97a	Christians Alive
Barton Road Young People's Centre	97b	Moorlands Evangelical Church
Barton Road Young People's Centre	97c	Barton Road Centre management Group
Carnforth Library	99a	Veterans Association
Heysham Children's and Young People's Centre	102a	Unique Kidz and Co
Heysham Children's and Young People's Centre	102b	Heysham Youth and Community playgroup.
Poulton Children's Centre	105a	Torrisholme Kindergarten
Pendle		
Brierfield Library	123a	Brierfield Town Council
Brierfield Library	123b	Red Rose Recovery
Trawden Library and Riverside Children's Centre	128a	Trawden Forrest Community Centre
Trawden Library and Riverside Children's Centre	128b	J. Bowden and J McDonald.
Ribble Valley		
Whalley Library and Spring Wood Children's Centre	164a	North East Lancashire Dyslexia Association
Rossendale		
Crawshawbooth Library and Community Centre	176a	Crawshawbooth Community Association
Whitewell Bottom Community Centre	179a	Whitewell Bottom Community Association
South Ribble		
Lostock Hall Library and Children's Centre	194a	ABL Health Ltd
Penwortham Library	195a	Penwortham Town Council
Penwortham Young People's Centre	196a	Victim's support
Penwortham Young People's Centre	196b	Penwortham Free Methodist Church (Known as King's Church)
Penwortham Young People's Centre	196c	Penwortham Town Council
Penwortham Young People's Centre	196d	KTB Music

West Lancashire		
Children's Social Care (Fairlie, Skelmersdale)	210a	Artz for all C.I.C
Ormskirk Moorgate Children's Centre and Nursery	212a	Moorgate Nursery School
Parbold Library	214a	Parbold parish Council
Upholland Library	216a	Upholland Parish Council
Upholland Library	216b	Artz for All C.i.C
Wyre		
Thornton Young People's Centre	237a	Wyre District Scouts Headquarters

The business cases contain information that is potentially commercially confidential. As such, the detail of the bids not been made public.

There are 3 properties where Business Cases have been submitted in relation to buildings that the County Council intends to retain for service delivery. These are:

- Highfield Children's Centre (Chorley) – Bid reference 45a.
- Carnforth Library (Lancaster) – Bid reference 99a.
- Poulton Children's Centre (Lancaster) – Bid reference 105a.

It is recommended that Expressions of Interest in relation to properties that the County Council intends to retain for service delivery are declined.

In addition to this, Brierfield Library (Pendle) is still under consideration. It is recommended that the Business Cases submitted in relation to Brierfield Library are taken into consideration as part of the ongoing assessment of service delivery options in that area.

Assessment Process

The business cases submitted have been assessed against the criteria set out in the Community Asset Transfer Policy. In particular, the assessment to date has focussed on:

- The proposals for the use and maintenance of the asset
- Information about the organisation such as legal status and governance arrangements
- The capacity of the community based groups to manage (and insure) the asset
- Financial resources / disclosure of connections / bankruptcies etc.
- Risks and management
- Benefits to the Council, the community based group and the wider community of the proposed future use

Outcome of Assessments

As a result of the assessment process 13 business cases were considered to be well developed and comprehensive enough in terms of the information provided to

indicate that they are in line with the criteria set out in the Community Asset Transfer Policy. Ongoing negotiation will be necessary regarding the details of the transfer, and in some cases some additional clarification of specific details may be required. It should be noted however that it is still possible that issues may arise during the process of securing clarification or negotiating with bidders that change the recommendation in relation to these bids.

It is recommended that negotiations are pursued with the aim of transferring the asset and that individual reports are presented in due course to the Deputy Leader of the County Council for decision.

Table 2 – Business cases that are considered to be broadly acceptable subject to negotiation and clarification of issues:

Property	Bid Reference Number	Reason why proposal is considered appropriate
Padiham Young People's Centre	22a	Offer to deliver a range of services from welfare assistance, mental health issues, benefits and pensions advice, help with war pensions and housing issues and allowing other groups in community to rent space as well. This is a potentially viable business case. Note – they only require one property in this area - links to bid 24a.
Rosegrove Library	24a	Offer to deliver a range of services from welfare assistance, mental health issues, benefits and pensions advice, help with war pensions and housing issues and allowing other groups in community to rent space as well. This is a potentially viable business case. Note – they only require one property in this area - links to bid 22a. Note – there is an issue re the tenure of this property that will also need to be clarified.
Stoops and Hargher Clough Community Centre	25a	Offer to provide a wide range of social, cultural and recreational activities to meet the needs of all ages. Nature of organisation requires more clarification but this is a potentially viable business case.
Adlington Library and Children's Centre	36b	Offer from Chorley Borough Council to work closely with community to take on the asset to deliver community based library services and other community activity. The case needs developing in

		terms of the detail of the proposition and the community and partnership impact and the nature of the asset transfer arrangements carefully considered.
Chorley Adult Disability Day Services (Holly Trees)	39b	Offer to provide Scouts headquarters and facilities made available to other community groups to benefit the wider community. This is a well-developed business case.
The Zone in Chorley	47a	Offer to maintain the existing amateur boxing club from the building, grow the client base and diversify into other combat sports. Existing organisation already working in the community from this building. A potentially viable business case but the financial case needs development and extra clarification of how the proposal intends to provide wider community benefit is needed.
Ansdell Library	55a	Offer to develop a community library. A potentially viable business case but needs some further development of financial case, which may be boosted by Independent Community Library offer.
Kirkham Library	57a	Offer from town council to use building as a community Hub to add capacity to existing facility which is running at full capacity. A potentially viable business case but some areas for clarification (including more information about the business model).
Crawshawbooth Library and Community Centre	176a	Offer of a wide range of community activity based at hub with a pre-school provider on site. Group has experience of managing this community centre and delivering community based activity. A potentially viable business case.
Whitewell Bottom Community Centre	179a	Offer of a wide range of community activity based at hub with a pre-school provider on site. Group has experience of managing this community centre and delivering community based activity. A potentially viable business case.
Penwortham Library	195a	Offer to create a library theatre incorporating information desk/small museum and meeting point for local groups. This is a well-developed business case.

Children's Social Care (Fairlie, Skelmersdale)	210a	Offer of community arts centre for adults from a community interest company already working in the wider area and includes some community mental health services. A potentially viable business case but clarification about capacity and sub-letting to other public sector organisations needs clarification.
Thornton Young People's Centre	237a	Offer for building to be used for scouting at evenings and weekends and use for other community groups during the day. This is a well-developed business case

In the case of 18 business cases there were more significant areas of clarification required, including the potential for some proposals that may be compatible to consider working together to see if a joint bid would be more sustainable and offer greater community benefit.

In relation to these business cases it is proposed that negotiations are undertaken and further clarification is sought where appropriate. Again it is proposed that individual reports are presented in due course to the Deputy Leader of the County Council for decision.

Table 3 – Business cases that require further information at this stage, but which will continue to be given active consideration for Community Asset Transfer

Property	Bid Reference Number	Reason why proposal is potentially considered appropriate, and indication of clarification needed.
Clayton Brook Children's Centre	41a	Offer aimed at helping deliver early action and intervention but further clarification needed regarding detail of potential community benefit and nature of organisation. Active consideration for Community Asset Transfer.
Lytham Library and Registration Office	61a	Offer for a mixed space facility with a community managed self-service library plus space for community outreach supported by a retail offer. Active consideration for Community Asset Transfer but bid needs further development and clarification and potential for integration of Independent Community Library. Note – this instance would require transfer of the library user right – not Community Asset Transfer.
Oswaldtwistle Library	80a	Offer of development of an inclusive learning and wellbeing community academy. Service already runs at another

		location but would move and be run at this location on a reduced scale. Active consideration for Community Asset Transfer but more clarity needed on community and partnership impact. Consideration should be given to how it could be linked to 80b.
Oswaldtwistle Library	80b	Offer to maintain as a community library. Active consideration for Community Asset Transfer but bid needs further development and clarification –and has potential for integration of Independent Community Library. Consideration should be given to how it could be linked to 80a.
Barton Road Young People's Centre	97a	Offer of a faith based group with a range of activities to include job clubs, youth activities, volunteering, a café and community meeting rooms. Active consideration for Community Asset Transfer but this needs further investigation to establish detailed nature of proposal. Consideration should be given to how it could be linked to 97c.
Barton Road Young People's Centre	97c	Offer to develop a building in which the church can meet to offer a wide range of community activities and long term redevelopment of site. Active consideration for Community Asset Transfer but requires more clarification and consideration should be given to how it could be linked to 97a.
Heysham Children's and Young People's Centre	102a	Offer to relocate existing charitable organisation Unique Kidz and Co services to provide a community hub, range of events and after school and holiday clubs. Active consideration for Community Asset Transfer but needs further clarity re community benefit and local impact re building they propose to move out of.
Brierfield Library*	123a	Offer from town council to retain library in its current form and has potential for Independent Community Library. Active consideration for Community Asset Transfer but exact financial model needs developing. Consideration should be given to how it could be linked to 123b.
Brierfield Library*	123b	Offer to provide an inclusive wellbeing and learning academy that has broad community benefits. Active consideration

		for Community Asset Transfer but additional clarity required re community and partnership impact. Consideration should be given to how it could be linked to 123a.
Trawden Library and Riverside Children's Centre	128a	Offer for village led volunteer co-operative shop and post office. Active consideration for Community Asset Transfer but needs more detail and clarification. Consideration should be given to how it could be linked to 128b.
Trawden Library and Riverside Children's Centre	128b	Offer to develop a community interest company pre-school nursery. Active consideration for Community Asset Transfer but clarity needed re CIC proposal and financial capacity to deliver. Consideration should be given to how it could be linked to 128a.
Whalley Library and Spring Wood Children's Centre	164a	Offer to keep the building in current form but expand services that library offers. Active consideration for Community Asset Transfer but need more investigation around the operating model, especially finance and capacity to deliver.
Penwortham Young People's Centre	196a	Offer to develop a hub for victim's support activity. Organisation already commissioned to undertake work for Police and Crime Commissioner. Active consideration for Community Asset Transfer but need more to understand nature and length of contract as well.
Penwortham Young People's Centre	196b	Offer from Methodist church to co-locate their services from Penwortham Girls High School, Penwortham community centre and the young people's centre into a single hub. Active consideration for Community Asset Transfer but impact on current locations needs assessing along with the inclusivity of the community offer. Consideration should be given to how it could be linked to 196c.
Penwortham Young People's Centre	196c	Offer to retain with current uses and expansion of use to include MP surgeries/welfare rights etc. Active consideration for Community Asset Transfer and consideration should be given to how it could be linked to 196b.
Parbold Library	214a	Offer to retain the library service for ordering materials/information provision/advice giving/education and a

		community use for the building to replace services lost. Private rental of office space considered as a revenue stream to support community use. Active consideration for Community Asset Transfer but investigation needed into size of retained library facility and public benefit arising as well as consideration of Community Library offer.
Upholland Library	216a	Offer to retain meeting space and Wi-fi facility and rearrange internal spaces to make them more usable and flexible and possible satellite library and community meeting room. Active consideration for Community Asset Transfer but potential for further investigation in view of Independent Community Library offer and consideration should be given to how it could be linked to 216b.
Upholland Library	216b	Offer of development of a community Arts centre. Arts based CIC already working in wider area. Active consideration for Community Asset Transfer but aspects require clarification and further investigations appropriate. Potential for link to 216a?

*Note - It is recommended that the Business Cases submitted in relation to Brierfield Library are taken into consideration as part of the ongoing assessment of service delivery options in that area.

As a result of the assessment of business cases the remaining 18 were considered to fail to meet the requirements of the Community Asset Transfer Policy, or raised other significant issues.

Table 4 – Proposals that are considered to be unacceptable.

Property	Bid Reference Number	Reason why bid is not considered appropriate
Adlington Library and Children's Centre	36a	Offer for start-up childcare and community based establishment. Proposal considered unacceptable due to largely commercial proposition, as a new business proposition and scores low on criteria for asset transfer
Chorley Adult Disability Day Services (Holly Trees)	39a	Offer for a drama and theatre company in the community. Proposal considered unacceptable due to limited community benefit, business case not developed

		and limited evidence of funding and capacity.
Chorley Youth Offending Team	40a	Offer for provision of active lives and healthy weight project. Proposal considered unacceptable due to the commissioned activity that would be undertaken anyway with little additional community benefit.
Chorley Youth Offending Team	40b	Offer of drama and theatre in the community. Proposal considered unacceptable due to limited community benefit, business case not developed and limited evidence of funding and capacity.
Coppull Children's Centre	42a	Offer seeks to transfer the building to a Borough Council so that they can work with the school and the local community to take on the facility. The current case would need much more clarification and development and although we would be happy to engage with all partners as part of any negotiation, an interim transfer to the borough is not necessary.
Highfield Children's Centre	45a	Property to be retained by LCC.
The Zone in Chorley	47b	Offer of drama and theatre in the community. Proposal considered unacceptable due to limited community benefit, business case not developed and limited evidence of funding and capacity.
Clayton le Moors Library	76a	This appears to be superseded as a different option now been considered. We have received a proposal to site a community library in the nearby Mercer centre therefore this submission is withdrawn.
Great Harwood Young People's Service	78a	Offer to expand commercial health and leisure offer to deliver fitness classes and create a hub for health and wellbeing service. Proposal considered unacceptable due to nature of the proposal and who property would be transferred to and the status of the Leisure provider.
Rishton Library	82a	Offer proposes co-location of Children's centre and library into this building. Proposal considered unacceptable due to the lack of clarity re the proposal and

		how it would work. The proposal does not form part of the proposed pattern of service delivery.
Balmoral Children's Centre	96a	Offer of a private organisation intending to expand nursery to provide extra places. Proposal considered unacceptable due to commercial venture and whether appropriate as an asset transfer and school involvement would be required in negotiations given location.
Barton Road Young People's Centre	97b	Offer to develop a building where the church can meet and provide activities for the community. Proposal considered unacceptable due to the fact that it appears to be a proposal linked to the development of a new place of worship so fails to provide a wider community benefit that would justify asset transfer. As a potential development site the group could bid for the site when it is marketed, if other Community Asset Transfer bids are not successful.
Carnforth Library	99a	Property to be retained by LCC.
Heysham Children's and Young People's Centre	102b	Offer of a private organisation intending to deliver a playgroup and expand its services. Proposal considered unacceptable due to commercial venture. Note: alternative options could be considered e.g. appropriate rental or an option to create linkage to bid102a.
Poulton Children's Centre	105a	Property to be retained by LCC.
Lostock Hall Library and Children's Centre	194a	Offer to be used as an office base for delivery of sessions by ABL Health Ltd. Proposal considered unacceptable due to the fact that the organisation have already been procured to deliver activity in the area so additional community benefit arising from the proposal is limited.
Penwortham Young People's Centre	196d	Offer to retain the building for community groups to hire and proposed satellite library service. Proposal considered unacceptable due to community benefit and detail of proposition not clear and lacking in financial clarity.
Ormskirk Moorgate	212a	Offer to extend childcare provision from

Children's Centre and Nursery		<p>2-8 years to 0-8 years as an extension of a local authority maintained nursery school. Proposal considered unacceptable due to asset transfer not appropriate as this is an integral part of the school site.</p> <p>Further negotiation required to see if an acceptable solution can be found.</p>
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Potentially Emerging Bids

The opportunity to express interest in a property and to lodge a Business Case relating to Community Asset Transfer has been available in relation to the properties affected by the Property Strategy since May 2016.

The properties that were agreed as not to be retained for future use by the County Council were declared surplus to requirements and services will cease to operate from them subject to the agreed timescale. Properties where no Business Case has been received or where Community Asset Transfer requests are not considered to be acceptable to the County Council will be disposed of through market sale.

It is also possible that the result of the decision taken by Cabinet on 8 September 2016 including the introduction of the "Independent Community Library Offer" could lead to new Expressions of Interest being received.

It is recommended that any future bids that are received are considered against the approved Community Asset Transfer Policy. However, new requests for Asset Transfer will not be accepted in cases where organisations have outstanding requests under clarification as a result of the Property Strategy (Neighbourhood Centres) consultation process and where the group requesting transfer submitted their Business Case within the published timescale. The Deputy Leader will be made aware of all interest in individual properties when making decisions.

Where new bids are submitted in relation to buildings where there is already an active business case, these will not be considered unless they demonstrate exceptional community benefit and potential for sustainability.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Ensuring that Community Asset Transfer bids are appropriately assessed and where suitable transferring properties will help to maintain an asset that provides community benefits, the nature of which will depend on individual bid proposals.

This will help to mitigate any impacts arising from the way in which County Council services are delivered.

Transfer of assets following the determination of bids will also help to mitigate the property management risks relating to holding a significant number of relatively low value surplus properties. Risks relating to the transfer of an individual asset will be assessed as part of the decision making process in relation to individual properties.

Legal Implications

The Council is subject to a general duty of best value to "make arrangements to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness".

Best value statutory guidance issued by the Department for Communities and Local Government, revised in 2015, makes it clear that this duty applies and includes economic, environmental and social value when renewing service provision. This is relevant to the consideration of proposals from community groups wanting buildings or services to transfer to them.

In negotiating potential asset transfer, it will be prudent to require clauses / covenants in any transfer of asset that ensure that the County Council receives appropriate recompense / share of the value if the building ceases to be used for appropriate community use or is sold.

Financial Implications

The financial implications of the property decisions outlined in this report are as follows:

The disposal of surplus property has the potential to raise significant capital receipts estimated to be in the range £8m to £11m. The report which considered responses to the consultation exercise into the Property Strategy (presented to Cabinet 8 September 2016) recognised however that the level of capital receipts for surplus property will be dependent on the extent to which Community Asset Transfers are agreed. Prior to each asset transfer that takes place, a review of the budget implications will take place and be considered in the decision making process.

The Property Strategy (Neighbourhood Centres) has identified 99 buildings that are no longer required for future delivery of County Council Services with a further 3 buildings subject to on-going consideration. Of the 99 buildings 24 are subject to business cases from community organisations that are interested in taking ownership of the asset and which have been assessed as potentially meeting the asset transfer policy criteria at this stage.

Based on the original high level estimate of potential capital receipts, should each of these buildings be subject to successful asset transfer, as an indicative value this could equate to £2m to £2.9m of potential capital receipts that would then not be available to the County Council. The outcome and decision making for each asset transfer request will be made on a case by case basis using the criteria set out in the

asset transfer policy which will include consideration of both the actual value of the property and the merits of the potential asset transfer at that time.

List of Background Papers

Paper	Date	Contact/Tel
Community Asset Transfer Policy	15 July 2016	Steve Browne (01772) 534121
Property Strategy (Neighbourhood Centres) Responses to consultation and final proposals	8 September 2016	Mel Ormesher 07920 702595
Property Strategy (Neighbourhood Centres) Consultation	12 May 2016	Mel Ormesher 07920 702595
Property Strategy (Neighbourhood Centres)	26 November 2016	Mel Ormesher 07920 702595

Reason for inclusion in Part II, if appropriate

N/A